

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19

August 17, 2010

Los Angeles County
Board of Supervisors

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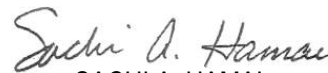
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August 17, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012


SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

John F. Schunhoff, Ph.D.
Interim Director

Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
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www.dhs.lacounty.gov

To improve health

through leadership,

service and education.

**AMENDMENT TO ON-SITE DOCUMENT SCANNING SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to add a Department of Health Services facility to the Proposition A Agreement with Caban Resources, LLC for on-site document scanning services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached Amendment No. 1 to Agreement No. 77273 with Caban Resource, LLC (Caban), to: (i) provide on-site document scanning services (scanning services) at Rancho Los Amigos National Rehabilitation Center (Rancho), effective upon approval by your Board, at an estimated annual cost of \$0.3 million, (ii) increase the County's maximum obligation from \$8.8 million to \$9.6 million for the base term, and (iii) add non-substantive language to clarify certain provisions.
2. Delegate authority to the Interim Director of Health Services (Interim Director), or his designee, to execute future amendments to Agreement No. 77273 to: (i) revise or incorporate provisions to be consistent with all applicable State law and regulations, County Ordinances and Board policy; and (ii) make appropriate non-substantive changes to the Agreement to add clarity, or correct errors and omissions, subject to prior review and approval by the Chief Executive Office and County Counsel, with notice to your Board.



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Chair to execute an amendment to the Agreement with Caban, Exhibit I, for performance of services associated with scanning of paper medical records into the Department of Health Services' (DHS) electronic document management system, Quantim Electronic Data Management (EDM), at Rancho. Rancho deployed its medical records scanning operations in late May 2010 with DHS staff who had been placed on light or restricted duty. However, there are insufficient DHS staff resources to maintain this operation in addition to its customary Health Information Management (HIM) functions. Therefore, the current Caban Agreement will be amended to include additional staff at Rancho. The recommended Amendment also includes the addition of non-substantive language to clarify how the hourly rates are applied.

Approval of the second recommendation will allow DHS to update the Agreement for regulatory or statutory changes and make non-substantive changes to clarify provisions, as a result of ongoing operational assessments of the program.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The County's maximum obligation under the Agreement will increase \$0.8 million, from \$8.8 million to \$9.6 million, for the base term of May 11, 2010 through June 30, 2013, for the provision of scanning services at Rancho based on the same rates currently reflected in the Agreement. Attachment I provides details of the annual cost.

The Department prepared the cost analysis for scanning services at Rancho (Attachment II), in accordance with Auditor-Controller (A-C) guidelines and methodologies, and determined that the addition of these services is cost-effective, with a total cost savings of \$0.1 million (13.65 percent). The A-C did not review this cost analysis, as the \$0.3 million increase to the annual contract amount is less than the threshold amounts defined by the A-C in Section 12.2.2 of the County Fiscal Manual. The A-C previously reviewed and approved the Department's cost analysis for the original contract amount of \$8.8 million.

Funding is included in DHS Fiscal Year (FY) 2010-11 Adopted Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 11, 2010, your Board approved and executed Proposition A (Prop. A) Agreement No. 77273 with Caban for the provision of on-site scanning services. The Agreement term is for three years and includes provisions to extend the Agreement term for up to two additional one-year periods, through June 30, 2015.

The recommended Amendment removes the reference to a Performance Requirement Summary attachment in the section regarding liquidated damages, correcting a ministerial error. This revision does not alter or eliminate the Department's ability to collect liquidated damages in the event of

Contractor non-compliance.

County Counsel has reviewed and approved Exhibit I as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended Amendment will allow DHS to continue the transition to electronic health records.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.

Interim Director

JFS:rg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

ATTACHMENT I

**DEPARTMENT OF HEALTH SERVICES
ESTIMATED CONTRACT COST
FOR
ON-SITE DOCUMENT SCANNING SERVICES**

ESTIMATED CONTRACT COST:

FISCAL YEAR	HARBOR	LAC+USC	RANCHO	TOTAL
2009-10	\$ 79,800	\$ 526,500		\$ 606,300
2010-11	319,200	2,527,196	265,200	\$ 3,111,596
2011-12	159,600	2,527,196	265,200	\$ 2,951,996
2012-13	159,600	2,527,196	265,200	\$ 2,951,996
TOTAL	\$ 718,200	\$ 8,108,088	\$ 795,600	\$ 9,621,888

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
ON-SITE DOCUMENT SCANNING SERVICES - PROPOSITION A CONTRACTING
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER**

COST COMPARISION FOR SCANNING SERVICES

		COUNTY	
DIRECT			
Salaries	\$	716,585	
Employee Benefits	\$	204,800	
Total Labor	\$	921,385	
		TOTAL COUNTY COST	\$921,385
		CONTRACTOR	
DIRECT			
Salaries	\$	795,600 *	
Employee Benefits	\$	-	
Total Labor	\$	795,600	
		TOTAL CONTRACTOR COST	\$ 795,600
		ANNUAL ESTIMATED SAVINGS FROM CONTRACTING	\$ 125,785
		SAVINGS PERCENTAGE	13.65%

* Includes Employee Benefit Rates

Contract No. 77273

**AGREEMENT BETWEEN
COUNTY OF LOS ANGELES
AND
CABAN RESOURCES, LLC
FOR
ON-SITE DOCUMENT SCANNING SERVICES**

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this 17th day
of August 2010,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

CABAN RESOURCES, LLC
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "**AGREEMENT BETWEEN COUNTY OF LOS ANGELES AND CABAN RESOURCES, LLC FOR ON-SITE DOCUMENT SCANNING SERVICES**" dated May 11, 2010, and further identified as County Agreement No. 77273 (hereafter "Agreement"); and

WHEREAS, pursuant to California Health and Safety Code, Sections 1441 and 1445, County has established and operates, through its Department of Health Services (hereinafter "Department"), various County hospitals, comprehensive health centers and health centers, including the Harbor/UCLA Medical Center ("Harbor"), Los Angeles County + University of Southern California Medical Center ("LAC+USC") and Rancho Los Amigos National Rehabilitation Center ("Rancho"); and

WHEREAS, Contractor is currently providing On-Site Document Scanning

77273

Supplement No.

1

Services ("Services") at Harbor and LAC+USC; and

WHEREAS, the parties are desirous of amending the Agreement to increase the County's maximum obligation to Contractor in order to implement Services for Rancho, correct a ministerial error by updating the Liquidated Damages provisions, to remove references to a Performance Requirement Summary, and clarify certain provisions; and

WHEREAS, the Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective on Board approval.
2. Sub-paragraph 5.2 under Paragraph 5.0, AGREEMENT SUM, BILLING

AND PAYMENT, shall be deleted in its entirety and replaced with the following:

"5.2 County's reimbursement to Contractor for the period beginning July 1, 2010 through June 30, 2013 shall not exceed Nine Million Seven Hundred Twenty-six Thousand Two Hundred Eighty-eight Dollars (\$9,726,288)."

3. Sub-paragraph 5.7.5.C under Subparagraph 5.7, Invoices and Payments, shall be added as follows:

"C. For services rendered at:

Rancho Los Amigos National Rehabilitation Center
7601 E. Imperial Highway
Downey, CA 90242
Attn: Expenditure Management"

4. Sub-paragraph 8.1.3 shall be added to the Agreement as follows:

"8.1.3 The Director may add or change certain terms and conditions in the Agreement during the term of this Agreement in order to clarify provisions

and/or make non-substantive programmatic changes. To implement such requirements, a written Amendment to the Agreement shall be prepared by the County and executed by the Contractor and Director, or his/her designee.”

5. Sub-paragraphs 8.25.2, 8.25.3 and 8.25.4 under Paragraph 8.25, Liquidated Damages, shall be deleted in their entirety and replaced with the following:

“8.25.2 If the Department Head, or his/her designee, determines that there are deficiencies in the performance of this Contract that the Department Head, or his/her designee, deems are correctable by the Contractor over a certain time span, the Department Head, or his/her designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Department Head, or his/her designee, may: (a) deduct from the Contractor’s payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. Therefore, the parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars (\$100) per day per infraction. Said amount shall be deducted from the County’s payment to the Contractor; and/or (c) upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and

forfeited from the payment to the Contractor from the County, as determined by the County.

8.25.3 The action noted in sub-paragraph 8.25.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provision of this Agreement.

8.25.4 This sub-paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Agreement provided by law or as specified in sub-paragraph 8.25.2, and shall not, in any manner, restrict or limit the County's right to terminate this Agreement as agreed to herein."

5. Exhibit B, SCHEDULE OF RATES, shall be deleted in its entirety and replaced with Exhibit B, SCHEDULE OF RATES, attached hereto.

6. Exhibit C, COUNTY'S ADMINISTRATION, shall be deleted in its entirety and replaced with Exhibit C, COUNTY'S ADMINISTRATION, attached hereto.

7. Except for changes set forth hereinabove, the wording of the Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

SACHI A. HAMAI,
Executive Officer, Board
of Supervisors of the
County of Los Angeles



By *Gloria Tronina*
Chair, Board of Supervisors

Contractor

By *Lachelle Smithman*
DEPUTY

By *Robert Caban*
Signature
ROBERT CABAN
Print Name
PRESIDENT
Title

APPROVED AS TO FORM:
Andrea Ordin
County Counsel

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By *Mayaher M. 7/30/10*
Deputy County Counsel

By *Lachelle Smithman*
Deputy

Amend No. 1 – On-site Scanning Services
06/29/2010



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19

AUG 17 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

77273
Supplement No. 7

SCHEDULE OF RATES

I. Hourly rates are as follows:

Number of Document Scanning Technicians (DST)	Hourly Rate per DST
1 FTE	\$26.80
2-5 FTE	\$24.60
6-14 FTE	\$22.55
15-30 FTE	\$20.90
31-50 FTE	\$19.35
51-100 FTE	\$18.50
101-200 FTE	\$17.95

Number of On-Site Managers (OSM)	Hourly Rate per OSM
1 FTE	\$35.00
2-5 FTE	\$30.80
6-14 FTE	\$27.50
15-30 FTE	\$24.00

II. Hourly Rates are based on total number of staff, by position, on order by County. If at any time Contractor cannot supply the number of staff requested by County, Contractor will honor the hourly rate applicable to number of staff, by position, requested by County. If County increases or decreases the number of staff on order in an amount that would affect the corresponding hourly rate, the new rate shall be applicable beginning the effective date of the change. The following examples shall be used for illustrative purposes only:

- A. County orders forty (40) DSTs and seven (7) OSMs for a six (6) month project. However, for the first month of the project Contractor only provides thirty (30) DSTs and four (4) OSMs. Contractor shall bill County at the hourly rate established for the number of staff ordered by County, i.e., \$19.35 per hour for the DSTs and \$27.50 per hour for the OSMs.

- B. On the effective date of the Agreement, County orders forty (40) DSTs and five (5) OSMs. On May 20, 2010, the County informs Contractor that it is increasing the number of staff on order to sixty (60) DSTs and ten (10) OSMs, effective May 25, 2010. Therefore, beginning on May 25, 2010, the hourly rate for DSTs shall decrease from \$19.35 to \$18.50, and the hourly rate for OSMs shall decrease from \$30.80 to \$27.50.
- III. Hourly Rates are all-inclusive. Contractor is solely responsible to pay payroll taxes, general liability, worker's compensation, and professional errors & omissions insurance, health benefits and guarantees compliance with the Los Angeles County Living Wage Ordinance. There is no change in rate for shift differential.

COUNTY'S ADMINISTRATION

COUNTY PROJECT DIRECTOR:

Name: Carol Meyer
Title: Chief Network Officer
Address: 313 North Figueroa Street, Room 903
Los Angeles, California 90022
Telephone: (213) 240-8370 Facsimile: (213) 482-9421
E-Mail Address: cmeyer@dhs.lacounty.gov

COUNTY PROJECT MANAGER:

LOS ANGELES COUNTY + UNIVERSITY OF SOUTHERN CALIFORNIA (LAC+USC)

Name: Pete Delgado
Title: Chief Executive Officer
Address: 1200 North State Street
Los Angeles, California 90033
Telephone: (323) 226-2800 Facsimile: (323) 226-6518
E-Mail Address: pdelgado@dhs.lacounty.gov

COUNTY CONTRACT PROJECT MONITOR – LAC+USC:

Name: Oscar Autelli
Title: Chief Information Officer
Address: 1200 North State Street
Los Angeles, California 90033
Telephone: (323) 226-6866 Facsimile: (323) 226-6518
E-Mail Address: autelli@dhs.lacounty.gov

COUNTY'S ADMINISTRATION

COUNTY PROJECT DIRECTOR:

Name: Carol Meyer
Title: Chief Network Officer
Address: 313 North Figueroa Street, Room 903
Los Angeles, California 90022
Telephone: (213) 240-8370 Facsimile: (213) 482-9421
E-Mail Address: cmeyer@dhs.lacounty.gov

COUNTY PROJECT MANAGER:

HARBOR – UCLA MEDICAL CENTER (HARBOR)

Name: Miguel Ortiz-Marroquin
Title: Chief Executive Officer
Address: 1000 West Carson Street
Torrance, California 90502
Telephone: (310) 222-2101 Facsimile: (310) 782-0430
E-Mail Address: mmarroquin@dhs.lacounty.com

COUNTY CONTRACT PROJECT MONITOR - HARBOR:

Name: Sandy Mungovan
Title: Chief Information Officer
Address: 1000 West Carson Street
Torrance, California 90502
Telephone: (310) 222-2045 Facsimile: (310) 782-0430
E-Mail Address: smungovan@dhs.lacounty.gov

COUNTY'S ADMINISTRATION

COUNTY PROJECT DIRECTOR:

Name: Carol Meyer

Title: Chief Network Officer

Address: 313 North Figueroa Street, Room 903
Los Angeles, California 90022

Telephone: (213) 240-8370 Facsimile: (213) 482-9421

E-Mail Address: cmeyer@dhs.lacounty.gov

COUNTY PROJECT MANAGER:

RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER (RANCHO)

Name: Jorge Orozco

Title: Chief Executive Officer

Address: 7601 East Imperial Hwy.
Downey , California 90242

Telephone: (562) 401-7022 Facsimile: (562) 803-5876

E-Mail Address: jorozco@dhs.lacounty.gov

COUNTY CONTRACT PROJECT MONITOR - RANCHO:

Name: Jody Knox

Title: Chief Operations Officer

Address: 7601 East Imperial Hwy.
Downey, California 90242

Telephone: (562) 401-7025 Facsimile: (562) 803-5876

E-Mail Address: jknox@dhs.lacounty.gov